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Families and Human Services VC
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The Jacobs Report

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SMALL GROUP INSURANCE REFORM PASSES SENATE

Under a package of rate band bills that overwhelmingly passed the Senate on Wednesday, Michigan is one critical step closer to becoming the 38th state to regulate insurance rates covering small businesses.

The House also was expected to pass a package Wednesday, but a vote was postponed until next week as members wanted more time to review the bills and compare the House and Senate versions.

While the House package passed committee on straight party lines (Republicans supporting, Democrats opposing) the bi-partisan Senate package passed committee and the full Senate by overwhelming margins. Senate Bill 234 passed 35-2, SB 236 passed 37-1, SB 237 passed 38-0 and SB 238 passed 38-0.

The package would create 10 geographic areas within Michigan and establish a base health insurance rate in those areas. Blue Cross Blue Shield of Michigan would be held to a band equal to 35 percent above or below that base rate. Over several years through 2007, rate bands for commercial insurers would be phased down to a maximum of 40 percent above or below the base rate.

The legislation also would require that an insurance company get 100 percent participation of all the employees if the company has 10 or fewer workers. In groups of 11 to 50 workers, the insurance company could require at least 50 percent participation.

Both the rate bands and participation rules were written to prohibit commercial insurers from selecting young, healthy workers and insuring them at low rates while pricing older and less healthy persons out of the market. Individuals who cannot obtain coverage with a commercial insurer typically end up in a community pool at Blue Cross Blue Shield of Michigan (BCBSM), the state's insurer of last resort.

GRANHOLM ADMINISTRATION ANNOUNCES ROAD PLAN

The Granholm administration released detailed plans Thursday for road work from 2003-2007 that confirmed its already stated intention to delay several previously planned expansion projects to focus on fixing existing roads and bridges.

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Transportation Director Gloria Jeff unveiled the plan to the public at a Thursday meeting of the Transportation Commission, which will vote on the plan at its June meeting. Ms. Jeff had presented the plan to the commission Wednesday, but declined at that time to make the plan public.

The plan calls for spending \$6.14 billion over the next five fiscal years with 94 percent dedicated to preservation and maintenance projects. Capacity improvements and new roads would be limited to 6 percent-a drop from 22 percent in the 2002 five-year plan written by the Engler administration.

Ms. Jeff's proposal also contains scores of new preservation projects, including projects designated for funding under the Preserve First program, which comprises 8 percent of the overall plan. Among those projects: a \$55 million, 2.8-mile reconstruction of the Lodge Freeway (M-10) from Lahser to Southfield roads in Oakland County; a \$39.5 million, 6.7-mile concrete overlay on Interstate 75 in Bay County from M-57 to Birch Run; a \$32 million, 3.9-mile reconstruction of Fort Road (M-85) in Southgate and Riverview in Wayne County; and a \$28 million, 11-mile major rehabilitation of I-196 in Allegan and Van Buren counties. Also slated is a 7-mile rehabilitation of M-1 (Woodward Avenue) from 16 Mile Road through the Widetrack Loop in Oakland County in 2007.

BEACH GROOMING BILL WINS UNANIMOUS SENATE OK

A literal last-minute compromise turned a controversial bill into one earning a unanimous Senate vote Thursday. HB 4257, a bill that would allow property owners to remove vegetation and other debris on beaches along the Great Lakes shoreline, pitted land owners and environmentalists against each other. The bill and its Senate counterpart had been thus far this year one of the biggest environmental issues to undergo legislative scrutiny.

Leading up to a final amendment, environmentalists and the Department of Environmental Quality expressed concern that the measure would allow landowners to cut down vegetation, harming future fish and bird habitats when Great Lakes water levels return to normal. The U.S. Army of Corps of Engineers, which has authority over activities on much of the beach areas, had worked out a simplified permit process this year to handle basic beach maintenance, but critics said it was not enough. A last-minute amendment addressed those concerns.

Members of the group Save our Shoreline, which had led much of the drive for HB 4257, applauded from the Senate gallery after the bill was approved on a 37-0 vote. The bill now returns to the House for approval of the Senate changes.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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